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SUBJECT: CAR PRESS CLIPPINGS MAY 28-JUNE 1

¶1. (U) Arrival of Sudanese Refugees in northern CAR: The news was first announced early in the week by the spokesman for the President, Mr. Cyriaque Gonda, who gave the figure of more than 1,000 persons, some of them armed, who arrived in the city of Sam Ouandja, in the northeastern Vakaga prefecture. The spokesman indicated that the refugees fled the current war in Darfur to find refuge in the Central African Republic and that the Government will disarm the armed refugees and will present all these Sudanese to the UN High Commission for Refugees (UNHCR) for a humanitarian assistance.

On Monday several UN relief agencies, including the World Food Program, UNHCR, and the Office for the Coordination of Humanitarian Affairs, traveled to Sam Ouandja to assess the refugee population and their needs. UNCHR Representative Bruno Geddo said: "We did not find evidence of the presence of armed elements in the group, and the refugees assured the mission that everyone originated from Daffaq [Am Dafok] in Sudan." The mission found that the approximately 1,500 refugees were mostly women and children, and were subsisting primarily on a diet of mangoes. The World Food Program in coordination with donors and other UN agencies has pledged to provide emergency food aid to the refugees.

¶2. (U) Closing of the National Assembly Session: The event took place in the presence of Prime Minister Elie Dote and diplomats. The President of the National Assembly congratulated the government for its current reform efforts and the good relationship with donors. But he also urged the government to focus on economic development, complaining that assistance from the international community is still not enough.

¶3. (U) Prime Minister Elie Dote Announces a CFA 45 Billion Bond Operation: In his presentation of the issue before the National Assembly and diplomatic corps, the Prime Minister said that this bond will help finance public investments already scheduled in the budget, such as infrastructure projects (paving the Bouar-Garoua-Mboulai road) and electricity projects (extension of the Boali hydroelectric plant and supply of electricity to the towns of Zongo and Bambari). This bond will be reimbursed in five years, through the CAR government own efforts (customs taxes and oil receipts). The Prime Minister also said that this loan will not have much interest compared to the current 15 to 20% in local banks. He also commented that this decision is supported by governments of the sub-region. There has not yet been an official reaction from the Bretton Woods institutions.

An article from La Lettre du Continent expressed the surprise and concern of some international donors, noting that the bond will be "guaranteed by the customs receipts and the petroleum taxes of the country paid to an account in the Central African States Bank (BEAC)." A new local oil company is in the formative stages with a grant of Libyan oil, the paper noted. "According

to the donors (IMF, World Bank, African Development Bank), this bond puts in jeopardy the difficult process of bringing up to standard the Central African financial system since 2004," the journal added. It continued that even the U.S. State Department might reconsider its debt relief plan in the face of the sizeable bond.

PANOS